REVISED AND UPDATED

UNDERCUTTING SANCTIONS

ISRAEL, THE U.S. AND SOUTH AFRICA

A REPORT BY
Jane Hunter

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Edited by Jane Power

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AUTHOR'S PREFACE AND UPDATE NOTES

March 2, 1987

In the weeks between the completion of the updated draft of this report and its preparation for the printer there have been major new developments in the area of Israel's military relations with South Africa -- developments which support the report's conclusions and underscore the urgency of the action it recommends.

Nuclear weapons collaboration between the two countries appears set to enter a phase of testing of delivery systems. Israeli military officers were reported to have accompanied their South African counterparts on surveying expeditions to remote Marion Island, located half-way between Antarctica and South Africa. The white regime is planning a $6 million airstrip on the island, and analysts believe the landing facilities are to be used to develop a missile-testing range.[1] A late January visit by Israeli Defense Minister Yitzhak Rabin to South Africa, where, according to a well-connected Washington newsletter, he is believed to have discussed nuclear weapons testing,[2] only heightens that concern.

Israel has also supplied the white government with at least four specially converted Boeing 707 aircraft. These aircraft are equipped as in-flight refueling tankers and sophisticated electronic warfare platforms capable of

analyzing a target, guiding missiles or bombs to that target, and protecting the attacking aircraft.[3] With these planes to extend the range of its combat aircraft (such as the Cheetah, a Mirage overhauled with substantial Israeli assistance), South Africa is capable of attacking every country in sub-Saharan Africa. There has already been a warning of an attack on Nigeria's oil refineries.[4]

These reports came as most previous news of Israeli military collaboration with South Africa has: from journalists' or witnesses' observations, or from leaks from insiders. Israel has always maintained strict silence on military transactions, as has South Africa, the grateful recipient.

Now, ironically, in an attempt to save them from congressional action, the Israeli government has begun to allow details of its military dealings with the apartheid regime to get by the omnipresent government censor and into the media. Thus, it has recently been learned that Israel's existing arms sales contracts with South Africa are worth $500 million -- this, at least is the amount that officials say would be lost, not to mention "hundreds of millions of dollars" more in breach-of-contract lawsuits, unless these contracts are allowed to run their course over the next four years.[5] Another report set the value of yearly military trade between Tel Aviv and Pretoria at several hundred million dollars," and emphasized the "hundreds, if not thousands," of jobs in Israel's military industries that would be lost, should Israel decide to embargo weapons sales to South Africa. Earlier reports (cited extensively in these pages) that South Africa provides investment funds for Israeli "R and D" and receives in exchange licenses to produce the resulting weapons were also confirmed.[6]

By these disclosures Israel is seeking to demonstrate that shutting down its military pipeline to South Africa will entail a huge financial sacrifice, and thereby to give some substance to a promise (also leaked to the media) that it will slowly wind down its arms deals with South Africa.

That promise has been offered to preempt congressional action mandated by Section 508 of the Comprehensive Anti-Apartheid Act of 1986. Section 508 directs the administration to present to Congress a report on U.S. allies' military relations with the white minority government. Congress must, in turn, consider a cutoff of U.S. military aid to countries found to have a military relationship with South Africa. The report, now under preparation by the State Department's Bureau of Intelligence and Research and due to come before Congress on April 1, 1987, is already known to contain material on Israeli arms trafficking with South Africa.[7]

However, a month before the report is due, there are clear signs that Israel has worked out an accomodation with both the administration and Congress. Congress appears ready to accept Israel's offer to let its contracts wind down; perhaps it will not even request guarantees from Israel that the contracts to which it has alluded in the press constitute the totality of its military trade with South Africa. The Israelis are no longer talking about the possibility of forfeiting the $1.8 billion U.S. military aid they receive annually -- they are now talking about avoiding the embarrassment of a detailed and widely publicized report.[8]

Top Israeli officials have reassured the government in Pretoria that Israel will not suddenly disrupt the flow of goods and services with which the white regime kills and terrorizes its neighbors and the black majority within its borders; they have simply cautioned Pretoria to keep a low profile.[9] While the media reports encourage the illusion that Israel is winding down its military relations with Pretoria, both administration and congressional sources are saying that no action is likely to be taken against Israel.[10]

Only constituent pressure for serious congressional action can reverse this course. And that action need not begin by, nor end after, April 1. It should continue until Congress demands an immediate halt to Israel's arms trade with South Africa -- including Israel's provision of nuclear weapons technology to the white government -- and establishes mechanisms to monitor

Israel's compliance. Otherwise, those South Africans who are committed to the fight against apartheid will be perfectly justified in believing that the weapons obtained by South Africa from Israel which are so often trained upon them are of no concern to opponents of apartheid in the U.S.

-- Jane Hunter

Notes to the Preface

1. Observer (London), December 28, 1986.

2. Africa Insider, Washington, DC, January 31, 1987.

3. Jane's Defence Weekly, December 28, 1986; Sunday Telegraph, November 11, 1986, cited in FBIS Middle East & Africa; Israeli Foreign Affairs, February 1987.

4. Guardian (London), November 23, 1986, in West Africa, December 15, 1986.

5. Los Angeles Times, February 12, 19, and 21, 1987 (citing Davar, February 20, 1987).

6. The New York Times, January 29, 1987.

7. Los Angeles Times, editorial, February 19, 1987.

8. Jerusalem Post, January 27, 1987.

9. The Washington Post, February 22, 1987; Israeli Foreign Affairs, February and March, 1987.

10. Newsweek, February 2, 1987.

INTRODUCTION TO THE FIRST EDITION

Increasingly rejected by the world community, stubbornly committed to the oppression and land theft that caused their ostracism, Israel and South Africa are keenly aware of their complementary needs and assets. Since the 1976 Vorster agreements initiated a firm alliance, many accords have been signed and Israel and South Africa have methodically -- but quietly -- cooperated in a broad range of military and economic matters to provide for themselves what they cannot obtain elsewhere.

The major areas of cooperation, both military and economic, are shrouded in secrecy. Thus it is difficult to assign a precise dollar value to the sum of transactions between the two countries. Supporters of Israel -- both critics of its ties with South Africa and apologists for them -- have found comfort in the published statistics. These numbers show a trifling trade in coal, chemicals, and electronics, supporting the claim that the relationship is a very minor one.

Independent evaluation of the five main areas of Israeli-South African cooperation, however, yields a far more impressive picture. Even before the recent exodus of foreign companies from South Africa, some analysts, in

fact, believed that Israel is Pretoria's most important economic partner.

While it is difficult to assign an exact figure to Israeli weapons sales to South Africa, the infinitely greater value of Israeli military advice and Israel's major role in the development of a South African arms industry can clearly be demonstrated.

The value of the nuclear potential that Israel and South Africa have helped each other achieve must be regarded as considerable.

Two-way trade between Israel and South Africa has been grossly undervalued; published figures take into account neither diamonds nor uranium. But in any case the value of trade is probably dwarfed by the profits of joint ventures established by the two countries.

South African investments in the Israeli economy allow manufacturers to export South African products with a "made in Israel" label.

Israeli investments in South Africa are concentrated in sectors, such as electronics, that are critical to the enforcement of apartheid, and they bring Israel sorely needed foreign exchange.

Taken together, these five elements of the Israeli-South African relationship offer both countries a means of defying international pressures. The relationship is thus of major economic and political consequence for both countries and for those who are concerned with them.

In recent years two factors have drawn increasing attention to the Israeli-South African relationship: the development of the relationship itself and the growth internationally of the anti-apartheid movement.

During the past decade, a number of excellent studies have examined the history of the involvement of Israel and South Africa. Among them are James Adams' The Unnatural Alliance, Richard Stevens and Abdelwahab Elmessiri's Israel and South Africa: The Progression of a

Relationship, and Rosalynd Ainslee's Israel and South Africa: An Unlikely Alliance.

The present study synthesizes and updates the earlier works. It makes a further, critical contribution as well: an examination of the U.S. role in sustaining Israeli-South African collaboration.

Specifically, it considers:

- The extent to which the United States-Israel Free Trade Agreement allows South African products to enter U.S. markets;
- U.S. technology transfers through Israel to South Africa through U.S. firms which operate in Israel or own interests in Israeli firms or through Israeli theft of technology; and
- U.S. diplomatic cover-ups of the Israeli-South African relationship.

This study concludes that the volume of Israeli-South African economic transactions is considerable: even without including hidden arms sales, it is almost five times as much as the published figures cited by Israel's apologists in the United States. It further concludes that the role of the U.S. government in supporting the relationship also is considerable.

This network of mutual support has serious consequences for the anti-apartheid movement. The Israeli-South African relationship helps undercut UN sanctions on arms to South Africa. Even more ominous, the deep involvement of U.S. business in that relationship threatens to render meaningless the victories of the anti-apartheid movement in bringing about disinvestment and an international boycott of South Africa.

What is of particular concern to us here is that although the Israeli-South African relationship is so considerable and the U.S. involvement is so real, there is little discussion of either in the United States -- and when discussion does arise, the Israel lobby exerts itself to shut off debate. Aided by Israel's well-known "special relationship" with the United States, the lobby has so far

succeeded in concealing from the American public the entire Israel-South Africa-United States triangle of economic interest. That lobby has recently also begun to actively and publicly campaign against the African National Congress (ANC).

Yet it is not only the interests of the anti-apartheid movement that demand open discussion of that triangle of mutual sustenance. There is also a danger to U.S. national interests as well.

In describing the U.S. role in the Middle East, the Rev. Jesse Jackson has noted that as a nation we are on dangerous ground. There are, he points out, 22 nations in the Middle East. Our policy, he says, "excites one Middle East nation and incites 21 others. In that region we have interests too many and friends too few." If that is true of the Middle East, it is true as well of Africa.

U.S. involvement in the Israeli-South African relationship, U.S. diplomatic cover for that relationship, and U.S. underwriting of the Israeli economy not only increase South Africa's ability to undercut international sanctions, but threaten to deepen U.S. isolation in Africa and the Middle East.

Whatever the forces maintaining the present U.S. policy and concealing it from public view, however, they are not invulnerable, especially to the spread of accurate information. This study therefore presents some of the facts -- but therefore, too, it concludes with specific proposals for action. These, we hope, will become agenda items for progressives in general and the anti-apartheid movement in particular.

--Washington Middle East Associates
February 1987

Chapter 1

FROM THE BEGINNING

The relationship between Israel and South Africa is not new. Their political contact predates the Israeli state, and their economic and military contacts began well before they were brought to the attention of the world with the signing of a well-publicized series of pacts in 1976.

In 1917, future South African Prime Minister Jan Smuts became acquainted with Chaim Weizmann, then President of the British Zionist Federation. Their meeting marked the start of a long friendship -- and of the relationship between South Africa and leaders of the Zionist movement that sought establishment of the state of Israel.

Weizmann's belief that Zionism was integrally linked to British imperial interests made a strong impact on Smuts, who viewed the British Empire as the centerpiece of world order and civilized development. Within the year, Smuts, as South African delegate to the British War Cabinet, helped secure from the British government the Balfour Declaration, a statement that Britain was committed to the creation of a Jewish "homeland" in its colony Palestine. For the next three decades, Smuts

continued to use his considerable influence with British leaders to keep the Declaration alive.[1]

The relationship had a broader base as well: the presence in South Africa of a large Jewish community, chiefly Lithuanians who had emigrated around the turn of the century. Because of the community's significant Zionist component, Zionist leaders often traveled to South Africa to raise political and financial support.[2] In 1934, a group of South African investors established Africa-Israel Investments to purchase land in Palestine. (The company -- with South Africans as minority stockholders -- is now held by Israel's Bank Leumi.[3])

In 1948, the year the Israeli state was founded, the Nationalist (Afrikaans) Party ended the long premiership of Gen. Smuts in an upset election. The Nationalist leaders had had close ties with Hitler's Nazis and in the 1930s had advocated anti-Jewish legislation. Nevertheless, before the election, Nationalist prime minister Daniel Malan had privately assured Jewish leaders that he would not tolerate discrimination against Jews. He repeated this assurance publicly after the election. He also offered financial and logistical support to Israel. It was not until 1951, however, that the Nationalist Party dropped its ban on Jewish membership.

South Africa quickly recognized the new Israeli state. David Ben Gurion, Israel's first prime minister, later wrote that the South African Jewish community "contributed more to the Israeli war of independence, 1948-49 effort in terms of skilled volunteers than any other country in the world."[4] An Israeli prime minister, Moshe Sharrett, visited South Africa as early as 1950, and Nationalist Prime Minister Malan's visit to Israel in 1953 was the first by a head of state. By the early 1960s South Africa was producing Israeli Uzi submachine guns under license.[5]

However, relations remained at a relatively low level during the 1950s and 1960s. The Israeli government was preoccupied with establishing ties with the emerging nations of sub-Saharan Africa. As it courted other African states with creative development assistance programs and military assistance, the Israeli government was openly critical of South Africa's apartheid policy,

voting in favor of several important United Nations resolutions against South Africa and abstaining on a number of others. In response, Pretoria in 1962 forbade donations to Israel from South Africa's 120,000 Jews, the highest per capita givers in the world.[6]

Israel's 1967 war had a warming effect. South African volunteers served, South Africa's blood bank loaned blood, and the government lifted currency restrictions on donations to Israel.[7]

Israel's performance in the war deeply impressed South African military leaders, who are said to have sent a team of observers to watch the action. Within the month, in June 1967, an Israeli military mission to South Africa offered arms captured in the war and Israel's Arava STOL (short take-off and landing) aircraft -- a favorite plane for counterinsurgency warfare, which could also be rigged out as an electronic listening platform.[8] South Africa reportedly tested the Arava against the Southwest Africa People's Organization (SWAPO) in Namibia, the former colony it continues to hold in defiance of international law.[9]

By 1971, the New York Times' C.L. Sulzberger could write from Johannesburg:

> There is a remarkably close if little known partnership between Israel and South Africa. This relationship between the nation controlling Africa's southern tip and the nation still holding the gate to its northern tip affects political, economic and military affairs. . . . The only two battles given major attention in this country's maneuver schools are Tobruk, where a South African unit was defeated in World War II, and Israel's Six Day War in 1967.[10]

By this time Israel had offered to sell South Africa planes to replace three air force planes which had crashed.[11] It had also offered South Africa plans for the Mirage III fighter engine, which Israel's Mossad intelligence service had stolen in 1968 as part of a worldwide covert "technology acquisition" program.[12] In

the following years Israel sold South Africa Gabriel ship-to-ship missiles, Shafrir air-to-air missiles (similar to U.S. Sidewinder missiles), and anti-tank weapons.[13]

South Africa's recently unveiled "Cheetah" jet fighter was also developed with Israeli assistance, its Atar-9 engine almost certainly the one purloined by Israel in 1968.[14]

The 1967 war brought commercial as well as military ties. Business leaders in the two countries began establishing economic links. Israel's Ministry of Trade and Industry sent a representative to spend four months in South Africa; Israeli business and shipping interests also sent representatives to discuss expanding trade.

Several organizations were established specifically to promote trade. Men from the upper echelons of Israeli business and politics formed the Israel-South Africa Friendship League. (At the time when Menachem Begin assumed the premiership of Israel in 1977, he was the League's chairman.) The Israel-based Israel-South Africa Trade Association contributed significantly to the subsequent rapid increase in trade between the two countries.

South Africa had its counterparts to these bodies. Headed by Harry Oppenheimer, chief of the vast Anglo-American Corporation, the South Africa Foundation had as its purpose the international promotion of South African investment opportunities in the face of growing hostility to the apartheid system. In 1968 the Foundation's Man-to-Man Committee sent a delegation of high-level executives to Jerusalem to the Millionaires Conference, held to discuss expansion of trade.[15]

Trade increased further after 1970, when the South African government made the first of several decisions easing controls on direct investment in Israel by South African corporations. Israel's Zim shipping line put four ships on the Israel-South Africa route, and major banks in both countries extended lines of credit for exports.[16]

Iscor, the government-owned South African steel manufacturer, and the giant Israeli holding company Koor formed the steel company Iskoor in 1973. In 1974 an Israel-South Africa Chamber of Commerce was formed by nearly 100 Israeli firms; it was quickly followed by a South Africa-Israel Chamber of Commerce.

Tourism between the two countries also picked up; in 1969 the Director-General of Israel's Tourism Ministry established Israel's first tourist bureau on the continent in South Africa. The number of Israeli tourists visiting South Africa has continued to increase. Between 1981 and 1984 their numbers increased by 50 percent. And, while tourism to South Africa suffered a 50 percent decline in 1985, Israeli tourism registered a 7 percent increase, to over 11,000 Israeli visitors to South Africa. To place this in context, Israeli travel to the U.S., Europe and Asia that same year declined 35 percent, 25 percent, and 60 percent, respectively.[17]

Between 1968 and 1972, while most nations honored the UN call to shun South Africa, Israeli sports teams and entertainers helped ease the isolation of white South Africans. Israel's Maccabiah ("Jewish Olympics") games have provided one avenue of participation for South African athletes. Most recently, in June of 1985, Israel issued 200 special visas to South African athletes, allowing them to participate in the games on the basis of their status as "temporary residents" -- a status normally granted only to persons interested in permanent migration to Israel.[18]

On the political front, former Prime Minister Ben Gurion and future President Chaim Herzog visited South Africa in 1969. In 1971, Knesset Member Menachem Porush and vice-mayor of Jerusalem Gershon Avener went on a fundraising tour of South Africa. Later that year, future Prime Minister Menachem Begin visited and met with South African Prime Minister John Vorster, while a group of South African senators (including members of the Nationalist Party) visited Israel at the invitation of the Knesset. This steady two-way stream of high-ranking visitors attested to the increasing significance each government attached to the other.

In 1973, Yitzhak Rabin, former Israeli ambassador to the United States and future prime minister, made a fund-raising tour for the United Israel Appeal. Israel's Chief Rabbi Shlomo Goren called on South African President J. J. Fouche, then-Defense Minister P. W. Botha, and the commander in chief of the armed forces. South African Interior Minister Connie Mulder met in Israel with his counterpart Yusev Burg and with Foreign Minister Abba Eban. Other South African officials who went to Israel in 1973 were Eschel Rhoodie, minister of information, and Hendrik van den Bergh, head of BOSS, South Africa's secret service.

The friendship was firmly based, and with Israel's 1973 war it took off. South Africa may have given Israel more than the "moral support" pledged by Defense Minister P.W. Botha: according to the London Daily Telegraph, a Mirage jet fighter shot down by Egyptian forces over the Suez canal was South African, apparently on loan to Israel.[19]

In the wake of the war, all but four sub-Saharan African nations broke off relations with Israel. Israel and South Africa upgraded their diplomatic missions to the ambassadorial level, although both continued to avoid calling attention to their growing friendship.

In 1975, two "signals" from the United States nudged Israel in South Africa's direction. U.S. Secretary of State Henry Kissinger encouraged Israel to aid South Africa's invasion of Angola, which Congress had forbidden the CIA to do. In addition, President Gerald Ford's moratorium on all U.S. aid to Middle East countries while his administration "assessed" the situation in the region pointed up South Africa's potential as a replacement for the United States.[20]

Then, after the United Nations adopted a resolution which termed Zionism "a form of racism and racial discrimination" in 1975, followed by the admission of the PLO to observer status at the UN, Israel appeared to abandon any attempt at discretion. It was at this time that South Africa's interior minister, Connie Mulder, and information minister Eschel Rhoodie spearheaded an attempt to clean up South Africa's international image. They visited Israel seeking the Labor government's advice.

The Labor government agreed to play a consulting role in the campaign which, when it was exposed three years later, was called Muldergate. At the Israelis' suggestion, the South Africans hired Sydney Baron, a New York public relations man. Baron undertook to funnel $200,000 of South African money into the 1976 California senatorial campaign of S. I. Hayakawa and $250,000 into the 1978 senate campaign of Iowa's Roger Jepsen. Both rightist Republicans won, defeating John Tunney and Dick Clark, respectively -- both leading critics of South Africa's white minority government.

During their talks the Israelis and South Africans made plans to bring their relationship out in the open.[21]

As a result, in April 1976 South African Prime Minister John Vorster made a very public visit to Israel. He was received with "a red carpet welcome . . . when his El Al aircraft touched down last week . . . [and he was] escorted to the apron where his host for the four-day visit, the Israeli Premier, Yitzhak Rabin, with Mrs. Rabin and other VIPs, were waiting to greet him."[22]

During World War II, the Nationalist Party leader had spent 20 months in prison for collaborating with the Nazis. Now he laid a wreath at Yad Vashem, Israel's Holocaust memorial. Half the members of Israel's Labor Cabinet were present at the sendoff banquet given Vorster by Prime Minister Rabin.

That celebratory banquet marked a milestone in Israeli-South African relations. Until then, the two nations had occasionally reached across an awkward geographic and political gulf to collaborate on matters of passing mutual interest. The Vorster agreements of April 1976 built a firm and durable bridge over that chasm.

Chapter 2

MILITARY RELATIONSHIPS

As he left Israel, Vorster announced at a press conference, "We have decided to establish a ministerial joint committee comprising Ministers of South Africa and Israel." According to Vorster, the committee would meet at least annually and review economic relations -- he mentioned trade, scientific and industrial cooperation, and joint projects -- with an eye to expanding them.[23]

Something Vorster did not announce was quickly made known by the international press: out of the four-day visit -- much of which Vorster spent touring Israel's strategic installations and weapons plants -- had come a number of major military agreements.[24]

Calculated to match the strengths and weaknesses of both sides, these agreements raised military cooperation between the two countries to a significant new level.

South Africa coveted Israel's technological capacity and its experience in pitched battles and in counterinsurgency. In return, South Africa offered cash, what has been disingenuously referred to as its "excess

industrial capacity" (otherwise known as "cheap labor"), and raw materials, especially uranium.

In fact, according to one American military analyst, the military component was the raison d'etre of the entire Israeli-South African relationship. And of all the areas of military cooperation the partners would undertake -- weapons trading, development, and production; personnel training; intelligence -- for Israel, it was the prospect of nuclear collaboration that had primacy.[25]

Joining the Nuclear Club

Israel and South Africa have in fact cooperated on nuclear matters since the mid-1960s. Neither has signed the Nuclear Nonproliferation Treaty. Both have the same apparent rationales for developing and stockpiling nuclear weapons: they can deter neighbors from making attacks or harboring attackers, and they're a powerful "last resort" to include in strategic planning.

Both countries also have nonmilitary uses for nuclear energy. Each at one time received nuclear technology and enriched uranium from the United States (under the Atoms for Peace program) and from a number of European countries. Both were anxious to achieve energy independence with nuclear-generated power, and Israel also hoped to use nuclear power to desalinate water.

When the Vorster Agreements were signed in 1976, South Africa's military priorities were to cope with a tightening arms embargo (Britain had cut off arms sales in 1974 and France in 1975) and to upgrade its fighting forces. Pretoria did not want a repeat of the rout its army had experienced in Angola in 1975. It was also anxious to prepare for the "total onslaught" of hostility it expected from within and across its borders.

Although nuclear weapons capability remained only a distant prospect for its neighbors, Pretoria was also moving toward a "declared nuclear weapons policy as the best defense against South Africa's perceived enemies."[26]

This move was heralded by such statements as that made in 1977 by then Information Minister Connie Mulder:

> We will use all means at our disposal whatever they might be. It is true that we have just completed our own pilot plant that uses very advanced technology, and we have major uranium resources.[27]

In retrospect, such bravado seems to have lacked any substantial basis. After 1976, South Africa had difficulty obtaining enriched uranium from the Carter Administration and West Germany (although the French company Framatome continued to participate in the construction of the Koeberg reactor). Only in 1981 did South Africa announce a nuclear enrichment process without international controls at its Palindaba I reactor.

By 1976 Israel had been producing atomic bombs for a decade, in a subterranean facility at Dimona in the Negev Desert. The French had built the Dimona reactor for Israel, beginning construction in 1957, and had equipped it with a plant to chemically separate plutonium from uranium.

In 1976 the Israelis were four years away from constructing a companion facility at Dimona for the production of tritium, lithium and deuterium -- components of thermonuclear weapons.[28] Israel was at a point in its nuclear development where testing had a high priority. Through their growing cooperation, both countries sought to prevent any swing in political fortunes from cutting off their supplies. By 1980 it could be stated unequivocally that "Israel receives South African uranium and provides nuclear power development assistance in return."[29] That was the general pattern of dealings between the technologically more advanced Israelis and the white minority regime.

Because of the rigid secrecy imposed by the Israeli government, most analysts have failed to appreciate the enormous importance Israel has always attached to the development of nuclear capability. In early 1957 the Israeli cabinet committed the nation to long-term economic sacrifices when it decided to build the Dimona research reactor in the Negev desert and to develop

a nuclear weapon.[30] It also took a politically risky decision in the late 60s when it directed Israel's secret service, Mossad, to devote considerable resources to

> obtaining nuclear secrets and keeping up-to-date on what is developing in that field outside their country: they have made a point of carefully recruiting the help of non-Israeli Jews all over the world who are either scientists or students in nuclear physics. . . .[31]

The "loss" of 200 pounds of enriched uranium from an enrichment plant in the United States is thought to have been engineered by the Mossad. Sources within the CIA believe that the NUMEC (Nuclear Materials and Equipment Corporation) uranium reprocessing plant in Apollo, Pennsylvania, was financed by Israelis expressly to serve as a conduit for the transfer of U.S. uranium and nuclear technology.[32] The FBI and various intelligence divisions expressed concern in the early 1960s about security at NUMEC. Repeated visits by Israelis, including the scientific attache to the Israeli Embassy, were particularly worrisome. In June of 1986, U.S. government reports growing out of the Jonathan Jay Pollard spy case revealed that Rafael Eitan, the leader of the Israeli spy ring that oversaw Pollard's activities, had also visited the Apollo plant and met with the founder Zalman A. Shapiro. Eitan was working with Mossad at that time.[33]

The NUMEC episode had its precedent in a 1968 Israeli operation in Europe. In that year, Mossad set up a dummy company in Europe with a commando squad dedicated to stealing nuclear materials. One haul, accomplished with the help of a former Nazi pilot, netted 200 tons of enriched uranium from Belgium.[34]

By the late 60s many U.S. observers were convinced (correctly) that Israel had nuclear weapons. Israel's preparations to use its Jericho missiles during the 1973 war set off a sequence of events in which the U.S.S.R. delivered SCUD missiles to Egypt, setting the stage for a nuclear confrontation.[35]

In Israel there was increasingly public debate on whether an implied "bomb in the basement" or an overt

demonstrated nuclear capability made better sense. The latter, some believed, would significantly reduce Israel's military expenditures.

Israel had participated in the French testing of a surface-to-surface missile in the Sahara in 1964,[36] but since then, it had not had an opportunity to observe the performance of its weapons. This was the pressing need Israel apparently brought to negotiation of the Vorster Agreements in 1976.

A reporter for Aerospace Daily recently reported talking with a U.S. scientist who worked on an Israeli nuclear warhead, whose weight he estimated at barely 200 pounds.[37] This report further supports the argument that Israel needed to test its device. In background conversations several experts have pointed out that with such small, sophisticated, low-yield "defensive" weapons, a performance test is critical before deployment and the concomitant adoption of a nuclear stance. (It has been speculated that Israel's Jericho II, which Aerospace Daily reported as having been deployed in the Negev last May, is actually a neutron bomb, designed to kill humans and preserve property.[38]) A 1979 test in the South Atlantic (discussed in detail below) had so low a yield that it could barely be identified as a nuclear test.

If Israel were to carry out the desired tests of its nuclear devices, a distant test site would allow the government to honor the letter of its frequent declarations that Israel would not be the first country to introduce nuclear weapons to the Middle East.

London Sunday Times defense correspondent James Adams argues that the opportunity to test a nuclear weapon was one of the best chips Prime Minister Vorster had to lay on the table when he visited Israel in 1976:

> For the Israelis the offer was tempting . . . there was considerable pressure to exploit the nuclear option publicly and thus remove much of the budgetary burden of heavy expenditure on conventional weapons. Such a radical alteration in Israel's defense posture was obviously a major step to take, particularly with an

> untested nuclear capability. In reality of course, there was little doubt in the minds of Israel's nuclear experts that the devices they had been working on for so long would work perfectly on the day; but the benefits of an actual test -- the measuring of yield, fallout, delivery system -- would be considerable and should enable the scientists to carry out further refinements which would be essential if Israel were to have a credible first-strike capability that could eliminate neighboring Arab states without, at the same time, wiping Israel off the face of the earth.[39]

Any nuclear component to the Vorster Agreements has remained secret, but later events give strong indications of the existence and nature of such a component. In 1977 Israeli nuclear scientists were frequently reported to be in South Africa.[40] Preparations for a test explosion in South Africa's Kalahari desert that year were more likely to have been for an Israeli weapon than for a South African bomb, as South Africa did not acquire the ability to enrich enough uranium for a nuclear weapon until after 1980.[41] (The test never took place: pressure from the United States, Britain, the Soviet Union, and France resulted in its cancellation.[42])

Based on contemporary evidence from the UN Disarmament Agency which cast doubt on South Africa's nuclear capability and CIA reports that Israel possessed ten to twenty nuclear weapons, Adams surmises that "an Israeli nuclear explosion on South African territory would further fuel the ambiguity over South Africa's status as a member of the nuclear club, while allowing South Africa time to develop its own independent capability."[43] Newsweek reported that "some U.S. intelligence analysts concluded that the bomb the South Africans had planned to set off might have been made in Israel," and that "no senior South African official denied the reports that Israel and South Africa were cooperating to build a bomb."[44]

Unlike the 1977 attempt, the 1979 test seems to have actually taken place, on September 22 in the South

Atlantic. An explosion in the South Pacific was monitored by a U.S. Vela satellite designed expressly to pick up nuclear explosions.

Meanwhile, the CIA had tracked a small specialized fleet of the South African navy to the area of the explosion.[45]

In the United States, the Carter Administration convened a scientific panel to investigate whether the double flash of light -- "the signature characteristic of a nuclear explosion" -- recorded by the Vela satellite was indeed a nuclear explosion. However, in what many critics charged was a cover-up, the Carter panel rejected findings presented by the Defense Intelligence Agency, the Los Alamos Nuclear Laboratory, and the U.S. Naval Research Laboratory in order to conclude "that the evidence was inconclusive."[46]

Several years later, the Washington Office on Africa obtained approximately 500 pages of documents from the U.S. Naval Research Laboratory under the Freedom of Information Act. On the basis of these documents, in May 1985 a new report on the test appeared, written by Ronald Walters, professor of Political Science at Howard University, for Rep. John Conyers (D-Mich.). This report summarized the evidence presented during the Carter investigation and additional evidence discovered after its abrupt closure. The report concluded that the matter should be reopened for investigation by the National Academy of Sciences and the National Academy of Engineering (chosen because their members have security clearances).[47]

Dr. Walters lists a number of political considerations which might have caused the Carter Administration to truncate the Vela investigation:

- The need to mollify South Africa in order to gain its cooperation in the Lancaster House negotations over Zimbabwe;
- Preoccupation with the Iranian hostage crisis;
- The need to preserve the foreign policy victory of the Camp David accords; and

- The fear that, with elections approaching, pointing out Israel's role in the test would alienate Jewish voters.[48]

Israel's role in the 1979 test was further substantiated the following year. To avoid Israeli censors, CBS Israel correspondent Dan Raviv went to Rome in 1980 to report that Israel "had detonated an atomic bomb in a joint nuclear project with South Africa." The Israeli government revoked Raviv's press credentials.[49]

As with the 1977 attempted test, South Africa appears to have been the junior partner. In his recent book, Leonard Spector of the Carnegie Foundation states, "New evidence provided by former U.S. officials suggests that [South Africa] acquired its nuclear weapons capability somewhat later than many have estimated, probably around 1980."[50]

Rep. John Conyers has called for a hearing on the basis of the new evidence summarized in Walters' report. That the U.S. government had ignored the whole incident was doubtless not lost on Pretoria: Israel was a good associate in projects that contravened U.S. policy. The U.S. media apparently found that the subject didn't warrant close attention: a possible second test, recorded "by a U.S. satellite . . . put up specifically for that purpose" in December 1980, was reported only by the London-based Middle East Magazine. The report concludes deductively that the weapons fired in both tests were the nuclear version of the 155mm shell, which, along with the howitzer to fire it, Israel had helped South Africa obtain from the United States.[51]

Israel has lately been ranked the world's sixth nuclear power.[52] In 1985 South Africa let the world know it was capable of producing two nuclear bombs a year.[53] On October 19, 1986, Robin Morgan, head of the Sunday Times investigative team which interviewed Mordechai Vanunu (a defecting Israeli nuclear technician who had worked at the secret nuclear facility at Dimona) told this writer that Vanunu had mentioned the continuing presence at Dimona of South African scientists, metallurgists and technicians.

Israel might also have passed South Africa krytrons, switches for triggering nuclear explosions.[54] In May 1985, U.S. federal court indictments were issued charging Richard Smyth with illegal export of 810 krytrons to Israel. Smyth's Israeli connection was arms dealer Arnon Milchan, who recently admitted being a major conduit between Israel and South Africa for arms sales and for some of the funds used in the Muldergate disinforamtion campaign.[55]

The United States, France, Britain, and West Germany, all of which have actively contributed to the development of Israel's and South Africa's nuclear potential, must bear a great deal of responsibility for heightening the global level of nuclear terror. Nonetheless, it was Israel which was instrumental in bringing South Africa's nuclear development to the ready point.

Breaking the Arms Embargo

Excerpt from
United Nations Resolution 418
November 4, 1977

The Security Council . . .

2. Decides that all States shall cease forthwith any provision to South Africa of arms and related materiel of all types, including the sale or transfer of weapons and ammunition, military vehicles and equipment, paramilitary police equipment, and spare parts for the aforementioned, and shall cease as well the provision of all types of equipment and supplies and grants of licensing arrangements for the manufacture or maintenance of the aforementioned;

3. Calls upon all States to review . . . all existing contractual arrangements with and licenses granted to South Africa relating to the manufacture and maintenance of arms, ammunition of all

types and military equipment and vehicles, with a view to terminating them . . .

Cooperation on nuclear weapons is but one instance of military cooperation. Israel has also willingly shared with South Africa its considerable experience, innovative techniques, and corollary hardware for more "conventional" warfare.

Using subterfuge or excuses, many Western nations have managed to defy the 1963 and 1977 United Nations embargoes on arms sales to South Africa. However, the contributions of Italy, France, West Germany, Britain, and the United States to apartheid's arsenal pale beside those of Israel. Israel provided South Africa the heavy weapons politically impossible for most countries to transfer to Pretoria.*

Among the military agreements of 1976 were direct Israeli arms sales to South Africa. Over the next several years South Africa would buy eight Reshef long-range missile boats mounted with Gabriel sea-to-sea missiles (recent models of the Gabriel are equivalent to the French Exocet missile). Two of the boats were equipped with helicopter decks and sophisticated electronic equipment.[56] The value of a 420-ton Reshef was about $6 million; equipped with missiles, each ship was worth about $18 million, according to the New York Times.[57] The Times also noted reports from the Israeli radio and foreign press that "about 50 South African naval personnel on temporary civilian status are training in the Tel Aviv area to man the missile boats." The Israelis, according to one report, had set up a special school for the children of Afrikaans-speaking trainees.[58]

South Africa has purchased Israeli anti-tank missiles, air-to-air missiles, and 105mm self-propelled howitzers, as well as radar stations.[59] It has also collected an assortment of anti-insurgency equipment that includes the Scout Remotely Piloted Vehicle, a "large

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* A few Israeli observers have noted the lack of a substantial anti-apartheid and human rights movement in Israel, although recently an anti-apartheid committee has been organized.

model aircraft crammed with electronics and cameras," which it used in a 1983 attack on Mozambique.[60]

No matter that in 1977 the UN General Assembly had passed a mandatory embargo on arms sales to South Africa (Resolution 418), and that on December 7, 1977; April 3, 1978; and September 14th, 1979, Israel had promised to honor the embargo. By 1981 it had become clear "that Israel has become South Africa's major source of foreign arms."[61]

In 1977, Israel had $100 million worth of orders from Pretoria.[62] That was the year of the UN-imposed embargo on military sales to South Africa. Since that time, Israeli arms transfers to Pretoria have been shrouded in secrecy. In early 1986, however, a reporter citing a Tel Aviv University study put a $300 million price tag on Israel's arms sales to South Africa. He also reported a demonstration by Israeli salesmen for South African police and military representatives of smoke and tear gas grenades for sale to South Africa -- contradicting Israeli claims of differentiating between weapons for external "defense" and weapons for use against South Africa's internal population.[63]

Economic relationships which are both more serious than the arms sales and easier to document are the services provided by Israel to the South African arms industry.[64]

Creating A South African Arms Industry

Beyond outright sales, Israel has enabled South Africa to become almost completely self-sufficient in several types of weaponry and weapons systems. In fact, South Africa is now able to export a small amount of weapons each year. In 1984, South Africa's government-run radio asserted that

> The arms boycott failed for a perfectly simple reason: white South Africans refused to commit political suicide. The price that had to be paid in building up a local armament industry had to be paid. There was simply no alternative.[65]

Without Israel, that response to the embargo would not have been possible.

The Israeli-South African cooperation which has allowed South Africa to defeat the arms embargo has several configurations:

- o South Africa finances Israeli arms projects;
- o South Africa buys the right to produce arms under Israeli license; and
- o Israel and South Africa cooperate in joint undertakings.

Part of the Reshef missile boat sale, for example, included South African financing for Israeli production of a new, larger version of the Reshef, with a range of 6,000-7,000 nautical miles. It was designed to carry a helicopter and was armed with submarine-detection devices and anti-submarine missiles. South Africa was to get the first four or five boats of this model, the 09, in 1979-80.[66]

South Africa itself began producing 35-ton Dabur (Dvora) class patrol boats under Israeli license. These craft were armed with Gabriel ship-to-ship missiles (which South Africa now produces under license as well, under the name "Scorpion").[67]

The two countries have set up a joint helicopter manufacturing project -- Rotoflight of Capetown and Chemavir-Masok in Israel -- which supplies the armed forces of both countries with Scorpion helicopters.[68]

After Prime Minister Vorster paid a lengthy visit to the Israel Aircraft Industries Kfir plant, there were persistent reports that South Africa had purchased, or was negotiating to obtain, a license to produce Kfir jet fighters.[69] However, the sale of Kfirs -- which requires U.S. permission because they have a U.S.-made engine -- was routinely vetoed by the Carter Administration. Even the Reagan Administration has not given Israel permission to sell Kfirs to South Africa. But with the unveiling in July of 1986 of the South African government's new

"Cheetah" fighter jet, reports of a licensing deal appear to have been close to the mark.

Both Israel and South Africa purchased Mirage IIIs from France in the 1960s. While the South African president boasted that the Cheetah's major systems were indigenous, both Jane's Defense Weekly and the Economist reported that the Cheetah was merely an overhaul of a Mirage III-C. Both publications said the overhaul had been performed by Israel Aircraft Industries. The plane's avionics, according to Jane's, are based on a system produced by ELTA Electronics -- a subsidiary of IAI -- which also makes radar for the Kfir. Moreover, it appears that the Atar-9 engine of the Cheetah is based on plans the Israelis originally stole in 1968 from the Swiss company licensed to build the French Mirage.[70]

An earlier example of Israeli-South Africa cooperation occurred in 1976 when the two collaborated to produce armor plate, which Israel then needed for its new Merkava I tank. South Africa sent the alloys; Israel provided the formula; Iskoor, near Tel Aviv, did the work. Iskoor, founded in 1973, is jointly owned by the South African Steel Corporation (49 percent) and Israel's Koor (51 percent).[71] Koor, in turn is owned by Israel's labor federation, Histadrut.

According to The Economist, Israel got "not only the steel it wanted, but also the most advanced technology in steel manufacture . . . to renovate its old-fashioned steel industry."[72] In return, Israel refitted South Africa's 150 Centurion tanks, its personnel carriers, and its scout cars.

For production of the Merkava II tank, the U.S. Congress gave Israel the unprecedented authorization to spend $107 million of its U.S. military aid in Israel instead of in the United States.[73] Israeli military sources confided that South Africa had agreed to buy "substantial quantities" of the newer model. The Merkava II would also be plated with Iskoor's armor, which the Israelis contend is the most impenetrable in the world.

Stealing Technology

Israel has also given to South Africa weapons technology originating in and financed by the United States. James Adams of the London Times, who has done extensive research on Israel-South Africa weapons transactions, has furnished considerable information on this aspect of the trade through his articles and his book The Unnatural Alliance.[74]

Adams describes, for example, how Israel, working with former CIA operatives, helped South Africa acquire a piece of military equipment neither the Ford Administration nor the succeeding Carter Administration wanted it to have.

According to Adams, after the 1973 war, the Israeli government introduced South Africa's military to what was at the time (and may be still) the world's most advanced field artillery piece, the 155mm howitzer. The South Africans saw in this gun a remedy for one of the most serious problems that had appeared during their failed 1975 invasion of Angola: the howitzer's innovative shell had a range of 25 miles.

But Pretoria had a problem: it could not legally obtain the weapon from its U.S.-financed manufacturers. Israel was willing to help by selling South Africa the howitzer technology, but was itself unable to buy the rights. The Israeli government then teamed up with CIA operatives acting in defiance of the U.S. government and with the owners of the Space Research Corporation, which had developed the gun, to provide South Africa with the weapon it desired.

The Space Research Corporation (whose owners were later jailed for their role in the transaction) was willing to sell South Africa the gun and the technology necessary to manufacture it. Working with South African authorities, the Israeli government, and CIA officers, SRC produced and shipped weapons to South Africa and trained the South African technicians who were to manufacture the howitzer.

A further Israeli contribution was to be made through export orders for 10,000 shell casings, actually

intended for South Africa. In February 1977, the first shells were ready to be shipped to Israel. There the government-owned Israeli Military Industries was to fill them with propellant and send them on to South Africa. The newly-installed Rabin government in Israel, however, was beset by numerous scandals and under pressure from the Carter Administration. It refused to let the casings be loaded on Israeli ships to be brought to Israel for transfer to South Africa.

The setback was temporary. After a complicated round of financial transactions, South Africa gained control of the patents for both gun and shell. South Africa's state-owned arms manufacturing organization, ARMSCOR, now produces a G5 model of this gun -- "the most sophisticated artillery piece in the world, capable of firing a nuclear warhead" -- for its own use, and an export version, the G6.

Building a Bomber?

It is possible that another major weapons system -- Israel's Lavi aircraft, which incorporates highly advanced U.S. technology and is largely dependent on U.S. financing -- is now making its way to Pretoria, regardless of the stated policy of the U.S. government.

Israel Aircraft Industries (IAI) publicly unveiled the Lavi prototype in July of 1986.[75] Its history goes back to 1977, when the Israeli government decided to embark on an ambitious program to build its own combat jet. Ever since, there have been reports that South Africa was a silent partner in the project.

Unquestionably, South Africa is eager to possess a next-generation combat plane to counter any fighter which neighboring Mozambique or Angola might acquire from the Eastern Bloc. An advanced jet fighter is the more desirable to Pretoria because it is the one item too big to slip through the UN arms embargo. It and the Merkava tank are the two items the Carter Administration warned Israel not to pass on to South Africa.[76] At the same time, the ability to build or acquire such a plane would bolster the national ego and permit South Africa to continue portraying itself as an important part of the

Western alliance, patrolling the South Atlantic sea lanes against "Soviet encroachment."[77]

"The Israelis are helping the South Africans develop their own jet fighter aircraft," ran an early report from Jerusalem.[78]

In 1983 Israeli Ambassador to the U.S. (and former head of IAI) Moshe Arens, used his friendship with Secretary of State George P. Shultz to win three export licenses for U.S. technology deemed crucial to the development of the Lavi.[79] The Israeli government soon turned to the U.S. government for funds for the high-priced research and development of the plane. Led by the House Committee on Foreign Affairs, Congress has already earmarked $900 million for the Lavi and agreed on an additional $400 million for the 1987 fiscal year.[80] Moreover, harking back to the precedent set when Israel was allowed to spend part of its U.S. military aid on the Merkava tank, Congress stipulated that specific amounts of the Lavi money -- $250 million in 1984 and $200 million in the following years --were to be spent in Israel on development and production.[81]

As the U.S. became the major funder of the project, the Lavi's design was upgraded. From a relatively unsophisticated plane, it became what is now described as an advanced multi-role combat plane, equivalent to a hybrid of the U.S. F-15 and F-16. The Lavi is to use wing and tail assemblies of graphite-epoxy composites and other technology used in the latest U.S. planes: the B-1, the F-18, and "other front-line aircraft."[82]

Israeli Prime Minister Peres recently said, "I do believe that in one, two, maybe three domains, the Lavi is by far ahead of any other known aircraft development today."[83] Critics in the U.S. defense industry charged that the Lavi would compete on the export market with Northrup's F-20 Tigershark, which has had no federal development funds. [Northrop recently shelved the F-20.] They said that "Israel was using the Lavi program as a means of extracting technology from the U.S. to accelerate development of the country's aerospace capability."[84]

Although the Israelis are said to have assured U.S. officials that the Lavi would not be promoted for export, an Israeli marketing document from the early 1980s discusses the aircraft's export potential, listing South Africa, Taiwan, Argentina and Chile as top prospects.[85]

Well before Secretary of Defense Weinberger, a leading critic of the Lavi project, permitted the export of the technology packages, and also before Israel had secured U.S. funding for the Lavi, there was talk that South Africa had made a commitment to share the costs of the Lavi's development. In March 1980, then Defense Minister Ezer Weizmann went on a covert visit to Pretoria to discuss, among other things, the joint Lavi fighter project. On his return, according to Israel Radio, he reported directly to Prime Minister Begin.

Journalists in Israel picked up the story, and Israeli Radio drafted a news bulletin on the subject.[86] As is normal, the story was submitted to the government censor for approval; through some oversight, it was passed. The story of the visit went out at 11:00 a.m. and Weizmann was horrified to hear details of the trip being broadcast to the world. He immediately telephoned the censor's office who, in turn, got in touch with Israeli Radio; by 11:15 the story had been killed.[87]

Suspicion grew that "South Africa is secretly providing financial support" for the development of the Lavi and that "as part of the deal, the Lavi will ultimately be built under license in South Africa and become the main component of its air strike capability." On February 13, 1981, the suspicion gained new credence when the director-general of Israel's Defense Ministry mentioned that Israel was recruiting additional partners for the Lavi project "because we must ask ourselves whether we would have the capacity to continue the development of this fighter plane."[88] Since then there have been many more reports that South Africa is a financial backer of the Lavi.[89]

Sharing in Spying

Besides satisfying South Africa's major military needs, three electronics companies all at least partly

owned by the Israeli government -- Elbit, IAI, and Tadiran --have helped South Africa construct its own military electronics manufacturing sector to the point that South Africa now exports military communications and surveillance systems.[90]

South Africa is thus able to produce some of the electronic equipment that its troops use on a daily basis in the Black townships, the border areas, and Namibia. And these troops have had Israeli help in learning how to use their equipment effectively. Even before the 1976 agreements, there were always some 300 Israeli officers (some of high rank) and men in South Africa on training missions.[91]

Israel's willingness to train South Africa's military and intelligence forces further attests to the nature of the political relationship between the two nations. Their intelligence collaboration predates 1976 and extends far beyond South Africa's borders.

Referring to the 1973 rupture of relations with Israel by most of the African countries, an Israeli diplomat noted that Vorster's 1976 visit to Israel provided "an entry to the rest of Africa: 'We reach there not through the black door but through the back door.'"[92]

In practice this means that Israeli help to South Africa's military extends beyond the internal enforcement of apartheid. Israel provides security equipment along South Africa's borders. It assists in South Africa's continuing war to retain control of Namibia -- more than 90 percent of whose people recognize SWAPO (the Southwest African Peoples Organization) as their legitimate representatives.[93] It bolsters South Africa's perpetual campaign to intimidate and corrupt its neighbors into accepting its regional primacy.

James Adams notes that Israeli security specialists have helped South Africa set up a highly effective border policing unit. The South Africans have spent millions of dollars for Israeli night sights, microwave protection and detection systems, electronic fences, barbed wire and anti-personnel mines.[94]

Presumably to cut the cost of electronic fencing, in 1983 a South African firm bought into an Israeli fencing factory, part of the giant Israel Aircraft Industries.[95]

Beyond South Africa's borders, Israel shares with South Africa the intelligence information it gathers in the course of its extensive, if unacknowledged, economic and military activities in other African nations.[96] At least since the 1980 inauguration of the Reagan Administration, such activities have been consonant with the southern Africa policy of the White House.

South Africa's neighbors, too, are aware of Israel's active presence in Southern Africa. Israel's continuing unpopularity with many African countries is exemplified by Zimbabwe's regulation that Israeli visitors must undergo screening.

Israel has actually been active in South African military attacks on Angola and Mozambique. In 1981, then Israeli Defense minister Ariel Sharon spent 10 days with "South African forces in Namibia along the border with Angola."[97]

Israeli officers helped the South African Army plan its 1975 invasion of Angola, and South African Air Force Gen. R.H.D. Rogers told a reporter for the London Daily Telegraph that casualties had been kept low by following Israeli techniques for field treatment and evacuation.[98] Israel also supplied South Africa with "anti-guerrilla" equipment.[99]

The Israelis briefed South African officers on Israel's 1982 invasion of Lebanon, which encouraged and inspired South Africa's invasion of Angola the following year.[100] Israel's rapprochement with Zaire that same year -- Zaire has often supported the UNITA anti-Luanda "contras" at South Africa's behest -- gives Angola even more cause for alarm.[101]

Describing an agreement it said had been concluded in late 1983 between UNITA and the CIA, Angola's government radio said the signing was also attended by South African officials and "an Israeli representative to an African country . . . as a party interested in the

issue." A writer for the London Financial Times also noted "joint Israeli-South African support for UNITA [as] . . . part of the pattern of close cooperation between South Africa and Israel in military and intelligence matters. . . ."[102] In early 1984, Angola reported capturing three mercenaries who said they had been trained by Israeli instructors in Zaire.[103]

In June of 1986, a South African torpedo boat fired "Scorpion" missiles (a South African-licensed version of the Israeli-produced Gabriel II missile) on three ships in the Angolan port of Namibe, sinking a Cuban ship carrying 600 tons of food.[104]

On May 23, 1983, the Mozambicans shot down an Israeli Scout drone (remote pilotless spy plane) taking part in a South African attack on their country.[105] Maputo Radio described the plane's IAI (Israel Aircraft Industries) markings, which included factory and serial numbers.[106]

Joseph Hanlon, one of a number of journalists who inspected the Scout downed over Maputo Bay, also testified to the IAI markings. Hanlon saw a number of parallels between Israel's tactics against Beirut the year before and South Africa's "Operation Shrapnel" attack on Maputo. He believes the raid was launched as a test to see if a rationale coming from South Africa would be as convincing to the world press as Israel's explanation that it was bombing Beirut to dislodge the PLO. The similarities, according to Hanlon, were: stated target, a "guerrilla headquarters," in this case that of the African National Congress (ANC); actual target, a civilian population, in this case clearly defined residential neighborhoods and a day care center; and the use of fragmentation bombs, worthless against military targets.[107]

Chapter 3

ECONOMIC RELATIONSHIPS

Prime Minister Vorster's April 1976 visit brought increased economic, as well as military cooperation. The Israeli Ministry of Trade designated South Africa "a preferred export target."[108] As the two countries agreed at that time, their finance ministers have met regularly; in 1980 the meetings were set to occur annually.

Out of Israeli Finance Minister Simcha Erlich's 1978 visit to South Africa came "a special dispensation," as Adams notes,

> to waive the very stringent laws governing the export of capital from South Africa, and allowance was made for business executives to export a maximum of $41.14 million over a three-year period for investment in Israeli manufacturing, construction and tourism.[109]

Additionally, South Africa put up a $42.5 million line of credit for Israel to buy South African products, permitted Israeli bonds to be sold in South Africa, and signed an agreement to avoid double taxation.[110]

Following the ouster of the Shah of Iran, when both Israel and South Africa lost their principal source of oil, the two countries signed a pact on coal. South Africa had previously committed itself to provide a naval escort, should the need arise, to deliver coal to Israel.[111]

A sticking point in the relationship was, and continues to be, South Africa's restrictive trade policies, specifically its insistence on high import duties, which has prevented the conclusion of an overall bilateral trade agreement.[112] However, even though the disclosed portion of Israel's trade with South Africa appears to run a steady deficit, Israel may be compensated for that trade imbalance in ways that are not immediately apparent.

At first glance the trade between Israel and South Africa seems insignificant. But official trade statistics (those most often cited are the International Monetary Fund's Direction of Trade figures) reflect only commercial transactions between the two countries. They do not, of course, take into account secret Israeli arms sales to South Africa, nor the uranium Israel gets from South Africa. Nor do they reflect such items as the paychecks of Israeli military instructors in South Africa.

A Hidden Exchange

According to the IMF's tables for 1983, Israeli exports to South Africa totaled $69 million and South Africa's exports to Israel were $142 million.[113]

It is of course impossible to know the value of all of the undisclosed goods and services that pass back and forth between Israel and South Africa. However, the addition of only one item to each country's disclosed exports suggest a very different picture.

On the Israeli side, that item is arms sales. According to Israeli military analyst Aaron Kleiman, writing in 1984, "South Africa stands out as the single largest customer. It is thought to have been the purchaser of 35 percent of all Israeli arms sold in the years 1970-1979."[114] While it is not possible at this

time to assign a figure, few arms sales analysts believe the published figures in any way reflect the Israeli-South African arms trade.

South Africa's great undisclosed export to Israel is diamonds. The rough diamonds Israel buys from South Africa do not appear in the IMF figures because they are sold by a subsidiary of the South African mining concern DeBeers, the Central Selling Organization in London. The South African government's policy is to keep all diamond sales confidential.

Polished industrial diamonds are among Israel's biggest export items, with 1983 foreign sales at $1 billion.[115] The diamond industry is a mainstay of the Israeli economy. Yet, according to figures provided the U.S. Congress by the government of Israel, the value of the skilled craftsmanship involved in cleaving the rough stones to produce finished, faceted diamonds amounts to only one-fifth the value of the finished gems.[116] The rough diamonds themselves account for four fifths of the value.

Because Israel obtains all its diamonds from DeBeers' Central Selling Organization, it is possible to calculate the value of South Africa's diamond exports to Israel from these figures supplied by the Israeli government.[117] Israel's $1 billion in 1983 diamond exports would represent $200 million in polishing and $800 million in rough diamonds from South Africa. Adding this to the $142 million IMF total of South African exports to Israel yields a total of $942 million.

Three other aspects of Israeli-South African economic relations (to be detailed below) are not reflected in trade statistics:

- South Africa's investment in Israel's economy and infrastructure and its use of Israel as a channel to disguise its exports to the United States and Europe;
- Israeli investment in South Africa's economy; and
- Israeli-South African joint ventures.

Taking all these into account, several informed analysts have concluded, "While it is impossible to place an accurate figure on the true total volume, it is probable that when all trade is taken into consideration, Israel may be South Africa's biggest trading partner."[118]

These elements of Israeli-South African economic ties are more than just statistics to be guessed at: in their totality they signify an important business partnership between Israel and South Africa. South Africa's interest in the Israeli economy allows it a back door to the U.S. and Western Europe. Israeli investment in South Africa is focused on sectors of the South African economy critical to the maintenance of the apartheid system. Israeli-South African joint ventures in such major areas as steel and transport attest to the increasing political integration of the two countries.

The partnership these ties establish has serious implications for the divestment and anti-apartheid movements. The Israeli-South African partnership has the capacity to expand considerably and to fill many gaps created by sanctions, such as those passed by the U.S. Congress in October 1986.

Legal Smuggling

One of Israel's chief attractions, as far as South African industrialists are concerned, is its preferred trade status with the European Economic Community and the United States. A 1975 free trade agreement allows Israeli industrial exports to enter the EEC countries on increasingly favorable terms. In 1989 the tariffs are to be eliminated altogether. Today, with the 1984 U.S.-Israeli Free Trade Agreement in effect, all of Israel's industrial exports enter the U.S. duty-free as, ultimately, will all Israeli agricultural exports to the U.S.[119]

To take advantage of Israel's privileged trade status, South African companies have systematically established manufacturing facilities in Israel, most often joint ventures with Israeli firms. Raw or semi-finished materials are shipped from South Africa to Israel where "local content" is added, a "made in Israel" label

attached, and the finished merchandise shipped off to unsuspecting consumers abroad. Local content required under GATT conventions and FTA regulations is never higher than 40%[120] and there is no enforcement to speak of, leaving open the possibility that Israeli goods might be 80, 90, or even 100% South African.

This practice is made possible by the incredibly low wages paid South African workers -- low enough to offset the costs of the long sea voyage between South Africa and Israel, the second voyage to the European or American customer, and the paperwork involved in the transaction.

It also rests on Israel's package of incentives for foreign investors. These include government financing of 75 percent of fixed assets, interest-only repayment for 2 years, 25 percent annual depreciation, a 50 percent reduction of taxes on profits for the first seven years, and an exemption from taxes and customs duties on capital goods.[121]

"Israel," according to an Israeli critic of her government's ties with South Africa, "has . . . come to provide, whether consciously or not, a vital bridgehead for South African exports to Europe and the United States."[122] The service is not likely to be unconscious: Israel offers similar facilities for exploiting its trade advantages to other countries, including the United States. Last year an officer of the American Jewish Committee argued before a Congressional committee that "the proposed Free Trade Agreement will provide new opportunities for U.S. companies operating their plants in Israel to sell their products in Europe."[123] It was also suggested that European industries set up shop in Israel to take advantage of the Free Trade Agreement.[124]

In late 1985 the South African government published an "Export Bulletin" informing industrialists of the implementation of the U.S.-Israel Free Trade Agreement. With the privileged entry of Israeli products to the U.S. market guaranteed for the long term by the FTA, the "Bulletin" explained how South African exporters could use Israel as a "springboard" to get their exports past boycotts into U.S. markets. A Johannesburg paper

said "local companies say they are being encouraged by senior Israeli officials."[125]

Indeed, it is with South Africa that this tactic has been carried out most methodically -- and most cynically, given that its present motive is to avoid worldwide sanctions against apartheid. In 1978 the Israeli-South African Chamber of Commerce began a feasibility study to identify industries which would be particularly profitable for this deceptive practice. The Universities of Tel Aviv and Stellenbosch were to work on the details of specific projects.[126] They were evidently qualified: together with the South Africa-Israel Chamber of Commerce, they had in October 1977 presented a seminar called "Israel: Crossroad of International Trade" at various locations in South Africa.[127]

In the early 1970s, Israel and South Africa had already cooperated to disguise South African products. Israel was "frequently" used as a way station for the re-export of South Africa-manufactured textiles to black African countries.[128] Within a few years, the Vorster agreements were in effect and the Carter Administration had taken office, chilling U.S. relations with South Africa. South African businesses began to come to Israel in greater numbers.

The Israeli-South African steel company Iskoor is a major springboard enterprise, providing a channel for the entry of South African steel into world markets. Iskoor, which has a number of steel plants in Israel, is owned jointly by the South African (government-owned) steel company ISCOR (with 49 percent ownership) and the Israeli steel company Koor (which holds the remaining 51 percent). Koor is itself owned by the giant labor federation, Histradrut, and is also among the leading Israeli investors in South Africa. The joint company absorbs half of South Africa's steel exports to Israel, steel being the apartheid nation's largest disclosed export to Israel.

A 1977 report to the United Nations noted that Iskoor was representing the South African steel industry in the EEC.[129] Although this report was denied, subsequent reports have repeated the allegation, including one as recent as 1984. Adams noted that according to Dr.

Tamir Agmom, Professor of International Finance at Tel Aviv University, "semi-processed iron and steel is shipped to Israel, finished at the jointly owned Iskoor factory near Tel Aviv, and then shipped abroad either as refined steel or in completed products such as heating units or household items complete with a 'Made in Israel' stamp."[130]

Since 1976 Koor has also been a partner with Sentrachem, a South African chemical and fertilizer concern in a re-export scheme.[131]

Another joint venture formed in the late 1970s and devoted to the export of South African products from Israel is Conlog. This mates Israel's Elron Group, a giant in the Israeli electronics and computer fields, with South Africa's Control Logic, an electronics firm owned by the powerful Oppenheimer holding company, Anglo American.[132]

By 1979, the South African firm Hendler and Hendler was building a (short-lived) plant in Israel that would produce kitchenware from South African materials for export to Europe. South Africa's Chemtra had linked up with Israel's Polichrom to export chemicals for the paint and plastics industries. Mattresses were being produced by a partnership of Transvaal Mattress with Greenstein and Rosen in Israel, and Israel's Muenster Foods was incorporating South Africa's Honey Crunch, Epol and Vital products.[133]

In 1980 Israel's official agricultural marketing agency, Agrexco, began marketing South African produce in the United States.[134] A welded mesh factory at Ashdod is flourishing, and South African investors have even bought into a brush factory on a kibbutz.[135]

In an even more complicated piece of subterfuge:

> Koor is also part owner with the Israeli Ministry of Defense of Tadiran, the electronics company of highly sophisticated military equipment which has been developing connections with South Africa since 1970. Together with the South African company Calan, Tadiran owns

> Consolidated Power which both manufactures in South Africa and imports Consolidated Power exports to Europe, and uses 60-65% South African materials. . . . Calan, in turn, has an Israeli subsidiary company at Herzliya, making surgical gloves.[136]

Under its Israeli name, Tagun Rubber, Calan exports surgical gloves to the United States, Europe, and Australia. South Africa's Department of Trade and Industry has recently teamed up with an Israeli entrepreneur to further increase South Africa's flow of duty-free exports via Israel.[137]

The Trojan Horses

Americans opposed to apartheid would be particularly interested in knowing which Israeli exports contain South African materials or are made by South African firms. So far, unfortunately, no one has put together a comprehensive list. The most recent systematic study of Israel's use as a South African springboard -- from which many of the examples above were taken -- was done in 1981 by Rosalynde Ainslee of the British Anti-Apartheid Movement for the UN Special Committee Against Apartheid. The list of Israeli imports from South Africa -- steel, timber, tobacco, hides, wool, sugar, foodstuffs, and paper products -- raises serious questions.[138]

Steel and paper products alone, for example, implicate a whole range of Israeli products available to US consumers. Because South Africa's Mondi Paper Company supplies Israel with packaging board, Israeli goods that come packed in cardboard, either individually or in cases, may have South African content.

The case of steel is clearer: anything Israeli that comes in a tin can is partly South African, because Iskoor operates the only tin can factory in Israel.[139] Most likely to be encountered in our supermarkets are Israeli canned tomato sauce and tomato paste, which in 1984 accounted for 12.6 percent of the US market.[140] Despite a 14 to 16 percent tariff, the Israeli products are cheaper than U.S.-processed tomatoes. After a

ten-year phase-in period under the Free Trade Agreement, they will enter the United States duty-free. They will certainly take a growing share of the U.S. market, especially since Israel is replanting much of its citrus acreage with tomatoes.[141] Shlomo Avineri, a former director of Israel's foreign ministry, has himself attacked South Africa's "springboard tactics", advocating "resist[ing] the temptation to use our liaisons with the Common Market and the Free Trade Zone with the U.S. for channeling South African goods to the West."[142]

The Springboard's Base

Much can be done to identify specific Israeli-concealed South African products. Heavy South African investment in Israel's infrastructure, however, makes it impossible for any product to leave Israel without using facilities that are partly South African-owned. South African firms or individuals now make 35 percent of all non-U.S. investment in the Israeli economy.[143]

The history of South African investment is long, beginning with the purchase of land in Palestine in 1906. During the first part of the century, it was concentrated in housing in Haifa and a cold storage facility near Tel Aviv. By 1948 South African companies and individuals "were also active in the fields of shipping and travel, civil aviation, mineral prospecting, hotels and catering, fertilizers, chemicals, textiles and insurance."[144]

More recently, South African investors have bought into "a new hydro-electric system intended to divert water from the Mediterranean to the Dead Sea, regional development projects in the Negev, a plan for linking Eilat and Tel Aviv by rail . . . the coal loading quay in Hadera."[145]

One of Israel's major insurance companies, Migdal, is owned by Africa Israel Investments.[146] South African companies also participated in the construction of an Israeli military airport in the Negev, which was begun after Israel relinquished its military base in the Sinai.[147]

To stimulate investment even further, two joint holding companies, DBIC International (formed in 1981 by Israel's Discount Investment Corporation and South Africa's Cape Gate Holdings) and Corex (formed by an Israeli and a South African) actively solicit more South African investment in Israel's infrastructure, as well as in its sports, entertainment, tourist, and housing sectors.[148]

Investments in Apartheid

Any economic cooperation between Israel and South Africa has political implications because it enables South Africa to evade the effects of sanctions. The political influence of South African interests in Israel is a matter for speculation, but Israeli-South African concerns which are active in South Africa have clear political value. So do the numerous Israeli companies with direct investments in South Africa (although their investments are monetarily smaller than South African firms' holdings in Israel). Both types of enterprise are concentrated in the specific types of industry which will be essential to preserving the apartheid system as the pace of foreign firms withdrawing from South Africa gathers speed.

Koor, the Histadrut labor federation's giant holding company, is the major Israeli investor in South Africa. Its enterprises include Consolidated Power and a Tadiran plant that will make batteries. The Tadiran plant is at Rosslyn, in one of the border areas to which the South African government is driving the Blacks who now live in urban centers. Also, in partnership with Conlite South Africa, Tadiran has set up an emergency lighting plant in Johannesburg. Another Koor company joined with the Adcock-Ingram group to build an agricultural chemical plant in the Berlin border area, near the bantustan of Transkei.[149]

Koor also owns Afitra, which, according to its advertisement, is the South African distributor of goods "representing the cream of Israeli products and technology in a wide range of activities." The long list includes some items which would be especially useful in the event of economic sanctions (or a sabotage of power plants, a favorite tactic of anti-apartheid guerrillas): communica-

tions and electronics equipment, advanced software packages, radio frequency components, milling machines and computer systems to run them, and emergency lighting.[150]

One of the largest Israeli-South African joint operations in South Africa is Agri-Carmel, the result of a marriage between Agridev, owned by the Israeli government, and Gerber Goldschmidt of South Africa. Agri-Carmel works to propagate the famous Israeli agricultural techniques in South Africa. (It does not, however, propagate Israeli labor-saving techniques, at which South African farmers "are not being encouraged to look too closely."[151]) The company advertises its Israeli agricultural equipment and its consultants on increasing yields, planning, hydrogeological surveys and water management, and "rural development."[152] In short, Agri-Carmel provides technology to large-scale commercial farmers -- white farmers, whose black employees, a Carnegie Corporation of New York study has noted, often work for wages as low as $10 a month. Visiting one farm in "the rich sheep-farming area of the Karoo," the Carnegie survey team found "63% of the black men there underweight."[153]

Whether embodied by an Israeli agricultural consultant planning for greater productivity for Afrikaans farmers in the Karoo, an architect drawing up plans for a public building in Bophutatswana, or a computer programmer helping automate an office in Johannesburg, a significant Israeli investment in South Africa is brains. Pretoria itself has noted its lack of this resource:

> Current projections show that South Africa will need 180,000 executives by the year 2000. On present trends, there will be only 46,000 available. Unless there is a crash program to train black executives -- unlikely, since there are only 4,000 in managerial posts at the moment -- the surplus will have to be made up through the attraction of [white] emigrants on an even greater scale.[154]

While white managerial personnel have immigrated to South Africa from all the Western nations, the Israelis may well continue to come long after the others have been sickened by the death throes of apartheid or deterred by

sanctions. There are at present at least 20,000 Israelis working in Johannesburg, a number large enough to warrant a housing development especially dedicated to their comfort, with signs in Hebrew added to the other amenities that all whites in South Africa have come to expect as their due.[155]

A Bulwark for the Bantustans

Agri-Carmel is active not only within the boundaries of official South Africa, but in various "homelands," or bantustans.[156] In these fictitious "nations" that South Africa is trying to set up as tribal reservations for much of its African population, land is marginal, malnutrition is rampant and employment is scarce.

Agri-Carmel is not the only Israeli business to operate in the "homelands." Israeli businessmen and government officials, including former Finance Minister Yoram Aridor, have flocked to take advantage of development incentives underwritten by Pretoria. In establishing economic ventures in the bantustans, these Israelis have lent their prestige to the legitimization of the pseudo-states. Moreover, Israeli investments in the bantustans put them in direct economic competition with the other states of southern Afirca which cannot offer investment incentives to equal South Africa's.

Although for different reasons, neither the Israeli government nor its counterpart in Pretoria is entirely comfortable with the extent of private Israeli involvement in the bantustans.

The Israeli government is ambivalent. On the one hand, Foreign Ministry Director General David Kimche wishes the ties to be downplayed, so as not to alienate independent African governments with which he is working for a rapprochement. Other prominent officials have advocated Israeli participation in developing the bantustans.[157]

Israeli officials received "President" Lucas Mangope of Bophuthatswana during his 1983 and 1984 visits to Israel. And "President" Lennox Sebe of Ciskei,

together with three Likud Knesset members, attended the Israeli ceremonies for the twinning of Bisho, Ciskei's "capital," with Ariel, a settlement on the occupied West Bank.[158]

The Israeli government itself sold aircraft to Lennox Sebe and gave 15 "Ciskeians" pilot training.[159] When it noted that Ciskei had no airport, it built one for about $19 million -- but refused the Ciskeians landing rights!

At this point the South African government objected. A London Sunday Times reporter said Pretoria was "restive over the intrusion of Israeli entrepeneurs and paramilitary advisers into its sphere of influence." The Israeli government denied its involvement; it has, however, acquired an extensive record of such intrusion.[160] [A more diplomatically correct example: Israeli Ambassador Eliyahu Lankin has been heard to extend to South Africa Israel's offer of development aid for Namibia, before it gains its independence, an offer no other country has made.[161]]

With or without Pretoria's approval, Israeli involvement is helping to buttress the bantustans which are integral to the apartheid system. At the opening of Ciskatex, the first of six Israeli factories planned for Ciskei, "President" Sebe said,

> This factory stands on Ciskeian soil and it belongs to Israelis who have faith in the capability of Ciskei to honour its promises, and it demonstrates the willingness of our friends from Israel to invest permanently in Ciskei.

Ciskatex was to employ 150 people. Financing for it was attributed to both the Israel Discount Bank and the South African government.[162]

At the same time, however, the Israeli government has cautioned Israeli investors that the bantustans might go bankrupt and Pretoria has warned that it will not be responsible for Ciskei's debts to Israel.[163]

In August 1985 the Israeli government dropped all pretense of steering clear of the bantustans. Israel played host to "chief minister" Gatsha Buthelezi and announced that it would provide a range of development aid to KwaZulu, which Pretoria has designated the tribal homeland of the Zulu people.[164]

In addition, Israel's Histadrut labor federation has recently established links with unions affiliated with KwaZulu "chief minister" Gatsha Buthelezi's Inkatha organization.[165] According to several South African sources the Inkatha unions are completely outside the rapidly consolidating South African labor movement. Mobs controlled by Inkatha have been used to break up demonstrations and funerals.[166]

Israelis are persisting in their investment in the pseudo-states. Israeli architects are involved with major projects in Bophuthatswana, including a stadium, cultural centers, and a sports shoe factory.[167] Israelis have trained police forces and "presidential guards" in some bantustans. These Israeli-trained forces have also been called upon to put down riots in the townships this year.[168]

The Technology Leak

The Israeli economy nearly collapsed in early 1984. Israel's resulting efforts to expand its high-tech sector in hopes of stabilizing the economy dovetail with South Africa's need to maintain access to Western technology.[169]

This effort was launched in June 1984 with an economic conference held in Jerusalem. Held simultaneously with the Isratech trade fair, the conference attracted hundreds of U.S. and European corporate executives. Israeli leaders made a strong attempt to persuade participants to set up subsidiaries in Israel, where engineers make 40 percent less than their counterparts abroad.[170]

The Israeli government has adopted legislation offering new incentives for research and development. Tadiran and other high technology firms have floated their

own bond issues to raise money on the international market. Israel is also using the lure of its favored-nation status with the EEC and the United States to persuade U.S. and European high-tech companies to trade duty-free through Israel. Several Silicon Valley concerns -- Intel, Daisy Systems, National Semiconductor -- have moved part of their operations to Israel, and Israel is working hard to persuade others to follow their lead.

South Africa welcomes the movement of new industry to Israel. The example of Motorola suggests the reason. Motorola won praise last year for its announcement that it will stop selling two-way radios to the South African police.[171] However, its subsidiary, Motorola Israel, which produces military communications systems and distributes them in South Africa through Afitra, can offer Pretoria continued access to those radios.

South Africa, in short, not only can market its goods under an Israeli label, but can buy forbidden goods from U.S. firms through their Israeli subsidiaries.

In trying to re-establish its economic equilibrium, Israel is also energetically recruiting individuals to join its high-tech expansion. These days the Jewish press is full of Israeli success stories.[172]

Israeli talent scouts are combing California's Silicon Valley, inviting Jewish scientists and engineers to relocate to Israel.[173] The ads and articles emphasize the opportunities for creative work and the excitement of pioneering in what Prime Minister Peres has called "the third phase of Zionism, a society based on higher education, science and technology."[174] No mention is made of the South African involvement in these projects.

South African interests are nonetheless firmly established in Israeli high technology projects. Africa Israel Investments, for example, owns one of Israel's major science-based industrial parks, Kiryat Weizmann. AII determines who will join the 27 companies already enjoying the $30 million facility.[175] Scientific agreements between Israeli and South African universities allow the discoveries of Kiryat Weizmann tenants to be passed on through the adjoining Weizmann Institute to South African universities.[176]

Given past patterns of technology transfer from Israel to South Africa, a joint venture will probably spring up to market each Israeli innovation in South Africa. Respondents to the advertisements won't discover those details until after they have sold their homes and moved halfway around the world to their new jobs in Israel.

Chapter 4

ISSUES FOR AMERICANS

Israel could never completely compensate for the U.S. support white South Africa has enjoyed over the years. Israel is, however, well situated to pass along elements of U.S. technology and business that are critical to South Africa, elements which were, in fact, the targets of the first legislative victories in the divestment campaign. Moreover, Israel is putting great effort into developing precisely that sector of its economy -- high technology industries -- that will be most useful to South Africa.

It is illegal for South Africa to import U.S. nuclear technology or enriched uranium, but Israel seems able to obtain -- and pass along -- both.

A number of U.S. corporations have now decided to close their plants or agencies in South Africa. However, some will be able to quietly continue doing business with the apartheid regime through their subsidiaries in Israel. In July 1985 the Senate voted to ban sales of computers and other electronic items with military applications to South Africa. But Israel today is building the capacity to supply these goods or the technology to make them.

Israel and South Africa are not yet fully embarked on the new high-tech phase of cooperation. In other respects, however, their economies are already so integrated, their interests so congruent, that when Israel's powerful lobby takes to the corridors of Congress it is also, practically speaking, working for the interests of South Africa.

At the same time, Israel's supporters -- most notably AIPAC (the American Israel Public Affairs Committee) and the ADL (the Anti-Defamation League of B'nai B'rith) -- are working to keep the whole issue of Israel's ties to South Africa under wraps. Going a step beyond this, the ADL has begun a smear campaign against the ANC, harping on the ANC's long association with the South African Communist Party and trying to alienate the U.S. Jewish community from the internationally recognized organization by playing on its ties of solidarity with the PLO.

As long as the silence is not broken and the Israeli back door to Pretoria remains open, efforts of U.S. activists to achieve stiffer sanctions against South Africa and to push for enforcement of those already passed cannot be wholly effective.

Congress should be discussing several key issues:

1. The implications of nuclear weapons in the arsenals of Israel and South Africa.

2. Whether South Africa is to get any or all of the technology to produce the Lavi, and whether Israel has already committed itself to selling the Lavi to South Africa, or is helping South Africa obtain the aircraft in any other way. Israel's collaboration on South Africa's Cheetah amply demonstrates Israel's continuing willingness to break the arms embargo.

3. To what extent U.S. aid to Israel has been used to subsidize the channeling of South African merchandise through Israel. Such discussion is not purely academic: the United States gave Israel $25 billion in aid between 1974 and 1984.[177] Congress, which appropriates that aid, is responsible for the way Israel spends

it. Moreover, U.S. aid amounts to 12 percent of Israel's GNP, offering considerable leverage for stopping Israel's weapons trade and its nuclear and economic collaboration with South Africa.[178] Congress will have that opportunity in early 1987.

One provision (507(a) and (b)) of the Senate sanctions bill approved October 2, 1986, requires the president to inform Congress which U.S. allies are selling military goods to South Africa and recommends that Congress terminate U.S. military asssitance to these countries.[179]

Several ways to mend the leak in sanctions are possible:

1. Hearings on the 1979 Israeli-South African nuclear test (already called for by Rep. John Conyers), as well as on reports of continuing Israeli-South African nuclear collaboration. Those hearings are more likely to take place if organizations and individuals all over the country voice their urgent interest in the subject.

2. Similarly, constituent demands will ensure that Congress seriously consider the president's report required under the 1986 anti-apartheid act.

3. Congressional hearings to determine whether South Africa is to receive the Lavi, or any part of it. Given Israel's disregard of the UN embargo of 1977, Congress could reasonably condition future funding for the Lavi upon an Israeli pledge to keep the plane and any of its component technology from falling into South Africa's hands.

4. An investigation by the General Accounting Office or the Congressional Research Service into the cost to U.S. taxpayers of establishing South African exporters in Israel. In the absence of an embargo on all South African imports, including products with value added in

Israel, U.S. taxpayers are in effect paying one subsidy through aid to Israel and another when they buy South African goods "made in Israel."

5. A similar investigation of whether U.S. donations to Israel are subsidizing Israeli entrepreneurs in the bantustans.

Few legislators are unaware of Israel's role. If constituents don't see a problem, however, members of Congress have no reason to see that problem either. As long as nobody calls attention to the problem of Israel's support for South Africa, lawmakers can please everyone. Senators and representatives can get arrested outside the South African embassy, give a statement, go through the booking procedure, and then vote to spend another half-billion dollars or so on the Lavi aircraft.

The pro-Israel lobby is formidable; the lack of action on Israel's support of South Africa attests to that. But the lobby's strength lies in its ability to prevent issues from reaching public view. When it must defend Israel's position on the record and on the facts, the lobby will not be invincible.

As dependent as Israel is upon the United States, it cannot reasonably reject a resolute demand that it end immediately its strategic, military support of the apartheid system. Only increased pressure on lawmakers, however, can produce such a demand. How great a change is necessary can be seen in the following United Nations General Assembly Resolution on "Relations between Israel and South Africa" (39/72 C) passed overwhelmingly on December 13, 1984. The resolution

> again strongly condemn[ed] the continuing and increasing collaboration of Israel with the racist regime of South Africa, especially in the military and nuclear fields; [and demanded] that Israel desist from and terminate all forms of collaboration with South Africa forthwith, particularly in the military and nuclear fields, and abide scrupulously by the relevant resolutions of the General Assembly and the Security Council; [and

> called] upon all Governments and organizations to exert their influence to persuade Israel to desist from such collaboration and abide by the resolutions of the General Assembly.[180]

The United States voted against the resolution.

* * *

As more becomes known of the Israel-South Africa relationship, some in the pro-Israel lobby have sought to diffuse criticism against Israel by suggesting that others, namely Black African and Arab, countries also trade with the apartheid state. As this book has shown, the issue that should be of concern to Americans is not only the extent of Israeli-South African trade in its military and economic dimensions, but also the special role that the United States plays in that relationship.

The question for progressive Americans should be simply whether we are doing all that we can to end apartheid. If we find, therefore, that the "special relationship" between the U.S. and Israel spills over into South Africa, then issues like the level of American aid to Israel, the role of U.S. firms in three-way trade and attempts by U.S. officials to cover up this involvement cannot be ignored.

If progressive Americans choose to follow through on their commitment to end apartheid, U.S. aid and U.S. laws can be used to end our complicity in undercutting sanctions.

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60. James Adams, "Strangers and Brothers," Sunday Times (London), April 15, 1984, p. 33.

61. Statements made at the United Nations by Israeli officials, conclusion of Rosalynde Ainslee, op. cit., p. 12.

62. Figures from London Institute of Strategic Studies, in Broder, op. cit.

63. Israeli Foreign Affairs, February 1986, citing "Morning Edition" (report by Jim Letterman), National Public Radio, January 13, 1986.

64. Aaron S. Kleiman, Israel's Global Reach: Arms Sales as Diplomacy, Pergamon-Brassey's, Washington, 1985, pp. 151-154.

65. "Disinvestment Cannot Force Capitulation," station commentary on Johannesburg Domestic Service, 0500 GMT, December 12, 1984, FBIS [Foreign Broadcast

Information Service], Middle East and Africa, December 20, 1984, p. U4.

66. "The Israeli Connection," The Economist, November 5, 1977.

67. Broder, op. cit. The Star (Johannesburg), September 11, 1982.

68. Adams, "Strangers and Brothers", op. cit.

69. Farrell, op. cit. Hauser, op. cit.

70. Israeli Foreign Affairs, August 1986.

71. Adams, The Unnatural Alliance, p. 110.

72. "The Israeli Connection," The Economist, November 5, 1977.

73. John J. Fialka, "Israel Bucks Big Leagues in Arms Sales," Wall Street Journal, June 22, 1984. This precedent, which turned on its head "the political foundation of the U.S. military aid program [which] rested on its ability to provide jobs and business for the U.S. defense industry," would be repeated many times over for Israel's Lavi jet fighter project (see below).

74. Adams, The Unnatural Alliance, p. 38-71.

75. Charles Babcock, "How U.S. Came to Underwrite Israel's Lavi Fighter Project, The Washington Post, August 6, 1986, p. A1.

76. The Economist, November 5, 1977.

77. The Thatcher government recently refused to replace the old Shackleton planes used by Pretoria for this self-appointed function. "Defense of Sea Routes," Johannesburg SAPA in English, 1420 GMT, June 27, 1984, in FBIS, Middle East and Africa, June 28, 1984.

78. Broder, op. cit.

79. Moshe Arens was one of three Likud defense ministers (the others being Ezer Weizmann and Menachem Begin) forming an unbeatable lobby for the plane, according to Richard Witkin, "U.S. Plane Deal Spurs Drive in Israel to Build Own Jet," New York Times, May 21, 1978, while most Israeli air force officers were against the Lavi, preferring the U.S. F-16. (These same three presided over other major arms deals with South Africa.) U.S. opposition came largely from Secretary of Defense Weinberger as well as from the industry (see also footnote 109).

80. "House Panel Votes Amendment Clearing U.S. Funds for Lavi," Aviation Week and Space Technology, March 25, 1985; the 1986 and 1987 appropriations were introduced by Mel Levine (D-California). See also Babcock, op. cit., p. A22.

81. Fialka, op. cit.

82. Ibid. David A. Brown, "Israelis Stress Need for U.S. Aid to Complete Lavi Development," Aviation Week and Space Technology, March 25, 1985. Aviation Week and Space Technology, loc. cit. David Lennon, "Israel to go ahead with Lavi Project," Financial Times, April 18, 1983.

83. Jerusalem Domestic Service in English, 1100 GMT, February 7, 1985, in FBIS, Middle East and Africa, February 8, 1985.

84. Brown, op. cit.

85. Babcock, op. cit., p. A22.

86. Jerusalem Post International Edition, February 19-25, 1984. "Defense Ministry Notes Topics for Weinberger Visit," Jerusalem Television Service in Hebrew, 1915 GMT, October 14, 1984, in FBIS, Middle East and Africa, October 15, 1984, suggests that Weinberger was still holding back on needed components; Larry Thorson (AP), "Israel to Build Fighter-Bomber with U.S. Help," San Francisco Sunday Examiner-Chronicle, June 12, 1983, notes that the technology is part of "U.S. efforts to build 'Stealth' planes to evade enemy radar." (This

report was censored by the Israeli government which deleted portions of it.) Fialka, op. cit. "Israel Investing Millions to Design Own Jet Fighter," Los Angeles Times, January 19, 1980, noted that the original Lavi, at that time called the Arye, was supposed to be "similar to the F-18 series -- a twin-engine, lightweight, all-purpose fighter." Lennon, op. cit., says that Moshe Arens, at the time defense minister, vowed to go ahead with the project with or without U.S. funding.

87. Information given Adams by Yossi Melman, "an Israeli journalist then working for Israeli Radio," Adams, The Unnatural Alliance, p. 109.

88. "Israel Joins S.A. Nuclear Sub Project," 8 Days, February 25, 1981. The title refers to another persistently rumored area of collaboration between Israel and South Africa; most analysts now believe the two countries have decided that non-nuclear submarines would better suit their needs.

89. A partial list includes P. Fitzgerald and J. Bloch, "Alliance Among Outlaws," The Middle East, May 1983. African Defence, November 1984. Africa Now, October 1983. Michael Hornsby, "Pretoria Shows Off Its Military Might," The Times (London), September 14, 1984.

90. Adams, "Strangers and Brothers," op. cit.

91. Rand Daily Mail, July 7, 1975, and Washington Post, July 8, 1975, in Benabdallah, op. cit., p. 184. Stanley Uys, "The Israeli Link with S. Africa," New York Post, July 14, 1975, in Stevens and Elmessiri, op. cit., p. 141. Adams, op. cit.

92. "Into Africa via the Back Door," Time, April 26, 1976.

93. Lecture by Dr. Fred Dube (African National Congress), San Francisco, May 4, 1985.

94. Adams, "Strangers and Brothers," op. cit.

95. Ha'aretz, January 8, 1984, translated in Israeli Mirror, n.d.

96. Adams, The Unnatural Alliance, p. 86. Israel maintains unofficial representation -- often in U.S. diplomatic facilities -- in many sub-Saharan countries whose governments will not tolerate public ties but encourage an Israeli presence. More Israelis are operating in Nigeria than in any other African country, but Nigeria's present government refuses to regularize diplomatic ties with Israel because of its close ties with South Africa.

97. Drew Middleton, "South Africa Needs More Arms, Israeli Says," New York Times, December 14, 1981. The article's title refers to the pitch Sharon made to the Reagan White House, which he visited soon after his stay in Namibia.

98. Daily Telegraph (London), April 3, 1976, in Stevens and Elmessiri, op. cit., p. 202.

99. "The Israeli Connection," The Economist, November 5, 1977.

100. Adams, "Strangers and Brothers," op.cit.

101. Richard Hall, "Angola Worried by Israelis Next Door," The Observer (London), January 23, 1983.

102. London Observer, cited by Luanda Domestic Service, 0500 GMT, April 27, 1984, in FBIS, Middle East and Africa, n.d. "Israel -- Dissident links," West Africa, November 12, 1984.

103. Kinshasa Domestic Service, 1130 GMT, February 10, 1984, in FBIS, Middle East and Africa, February 13, 1984, p. S2.

104. Israeli Foreign Affairs, July 1986, p. 1, citing Financial Times, June 7, 1986. BBC World Service, June 6, 1986.

105. Paul Van Slambronck, "South Africa and Israel: Birds out of Favor Flock Together," Christian Science Monitor, June 6, 1983.

106. "Spy Plane Had Israeli Patent," Tanzanian Daily News, June 3, 1983.

107. Joseph Hanlon, "South Africa Adopts Israeli Military Tactics," New African, August 1983.

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108. Ainslee, op. cit., p. 10.

109. Adams, The Unnatural Alliance, p. 25.

110. Ibid.; Ha'aretz, February 13, 1973, in Chazan, op. cit., p. 180.

111. "No Alarm in Israel, No Pretoria Panic," The Economist, January 20, 1979. Also, "The Israeli Connection," The Economist, November 5, 1977.

112. Israel-South Africa Trade Bulletin, March 1982, in Adams, op. cit., p. 26.

113. These figures, and, unless otherwise noted, all import and export statistics are from the IMF Directions of Trade statistics.

114. Aaron Kleiman, op. cit., p. 139.

115. Jerusalem Post International Edition, April 8-14, 1984.

116. Information provided by the Government of Israel to the U.S. House of Representatives Subcommittee on Trade, incorporated in transcript of hearings May 22, 1984, Proposed United States-Israel Free Trade Area, Hearings before the Subcommittee on Trade of the Committee on Ways and Means, House of Representatives, 98th Congress, 2nd Session, May 22 and June 13 and 14, 1984, Serial 98-72, p. 96 (hereafter "Free Trade Area Hearings").

117. Ibid.

118. Adams, The Unnatural Alliance, p. 17; his words echo those of the Financial Mail (Johannesburg), September 14, 1979, in Ainslee, op. cit., p. 20.

119. "Questions and Answers Regarding the Proposed Free Trade Area Between the United States and Israel," American Israel Public Affairs Committee, "Free Trade Area Hearings," pp. 59-60. The GSP regulations, under which 90 percent of Israel's products entered the U.S. duty-free, are to be replaced with new rules of origin under the Free Trade Agreement.

120. Zoram Shapiro, A Study of Some of the Factors Influencing the Use of Israel as a Springboard for South African Exports (unpublished MBA thesis), University of Cape Town, 1979, pp. 69-70.

121. Supplement to Financial Mail, p. 142. Shapiro, op. cit., p. 97.

122. Chazan, op. cit., p. 180, who departs from a position of repugnance toward apartheid to argue that the Israeli-South African relationship is of no economic or political value to Israel.

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130. Adams, op. cit., p. 26.

131. Ainslee, op. cit., p. 22.

132. Shapiro, op. cit., p. 18.

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